GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

STARRED QUESTION NO:180
ANSWERED ON:11.03.2008
INCENTIVES TO ENTERTAINMENT SECTOR
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether the Government has any proposal to provide Incentives for infrastructure and technological upgradation in the TV and entertainment sector; and

(b) if so, the details thereof?

Answer

THE MINISTER OF INFORMATION & BROADCASTING AND PARLIAMENTARY AFFAIRS (SHRI P.R.DASMUNSI)

(a) & (b) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA STARRED QUESTION NO. 180 FOR ANSWER ON 11.3.2008.

(a) & (b): The TV and entertainment sector has been receiving continuous support from the Govt. of India. As per the Union List of the Constitution of India, Union Govt. can only sanction/ certify cinematograph films for exhibition. Other areas regarding cinema are in the State List. However, the Ministry itself takes the role of facilitator in the matter and after consideration recommended to Ministry of Finance the following proposals for rationalization of tax structure pertaining to TV and entertainment sector -

i) Exemption from payment of custom duty on import of components of set top boxes.

ii) Reduction of Import Duty on import of equipments relating to digital transmission of films.

iii) Exemption from payment of Service Tax on transmission of cinema or on normal transaction between distributor of films and exhibitors.

iv) Rates of depreciation allowed under Income Tax Act for machinery, furniture etc. should be in parity with rates of depreciation allowed for public transport and tourist taxis. Concession in Entertainment Tax given by State Govt. for developing new multiplexes or upgrading existing cinemas should be considered as Capital receipts and be exempted from income tax.

v) Excise Duty exemption be granted to colour positive unexposed cinematographic film in jumbo rolls and colour negative unexposed cinematographic films in rolls of 4200 ft.

vi) Rationalisation of tax structure for broadcasting services to be at par with telecom sector.

vii) A unified tax structure/levy for Cable, Broadcasting, DTH sectors and film industry.
In the budget of the current fiscal year, proposal for reduction of custom duty on project import, from the existing rate of 7.5% to 5% have been proposed. In addition, specified parts of set top boxes have been exempted from payment of custom duty. Further, custom duty on convergence products to be reduced from 10% to 5% to establish parity between devices is used in the information/ communication sector and the entertainment sector. Such policy initiatives would provide necessary incentive for infrastructure and technical upgradation in the TV and entertainment sector.